

Message Text

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PAGE 01 MTN GE 07611 01 OF 02 291927Z

42

ACTION STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 INRE-00 SSO-00

NSCE-00 USIE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00

PRS-01 SP-02 FEAE-00 OMB-01 AGRE-00 AF-08 ARA-06

EA-07 NEA-10 OIC-02 XMB-02 OPIC-03 /137 W

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O R 291722Z SEP 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 1914

INFO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 7611

ACTION STR

E.O. 11652: NA

TAGS: ETRD, MTN

SUBJECT: MTN: TROPICAL PRODUCTS GROUP: GATT SECRETARIAT CONVENES
INFORMAL MEETING OF DCS FOR OCTOBER 18-20 MEETING

1. SUMMARY: GATT SECRETARIAT (MATHUR) CONVENED INFORMAL
MEETING OF DCS IN MTN TROPICAL PRODUCTS (TP) GROUP,
SEPTEMBER 28. HE HAD PREVIOUSLY HELD SIMILAR MEETING
WITH LDCS SEPTEMBER 24. HE POINTED ACCURATELY TO PRINCIPAL
ISSUE AS THE FINAL IZATION OF OFFERS, BEARING IN MIND
DECEMBER 1975 TNC FOAL FOR COMPLETING TP NEGOTIATIONS IN
1976. NO CONSENSUS FORMED IN EITHER MEETING. LDCS
DIVIDED BETWEEN THOSE THAT DESIRE TO CONSOLIDATE CURRENT
OFFERS THIS YEAR WHEREVER POSSIBLE AS "INTERIM SOLUTION"
AND THOSE THAT THINK OFFERS SO LIMITED THAT MAXIMUM
PRESSURE SHOULD BE MAINTAINED ON DCS TO IMPROVE THEIR
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PAGE 02 MTN GE 07611 01 OF 02 291927Z

OFFERS. ALL LDCS WANT THE WORK OF TP GROUP TO CONTINUE

TO PURSUE REQUESTS. DCS, WITH THE EXCEPTION OF THE US, ON THE OTHER HAND ARE PREPARED TO IMPLEMENT OFFERS (MFN OFFERS PROVISIONALLY) ON JANUARY 1 IN THE HOPE THAT THE TP GROUP WILL TERMINATE/SUSPEND ITS WORK. SECRETARIAT HAS SET MIXED (DC AND LDC) MEETING FOR OCTOBER 1. END SUMMARY.

2. MATHUR OPENED INFORMAL MEETING WITH DCS PARTICIPATING IN TP GROUP (US, EC, JAPAN, AUSTRALIA, CANADA, NORDICS, SWITZERLAND) WITH OBSERVATION THAT PRINCIPAL ISSUES IN OCTOBER 18 TP MEETING WOULD BE ARRANGEMENTS FOR IMPLEMENTING OFFERS AND FUTURE WORK OF THE GROUP. HE INDICATED SECRETARIAT'S DISAPPOINTMENT WITH THE LIMITED NUMBER OF BILATERAL CONSULTATIONS THAT HAD TAKEN PLACE, BUT EXPLAINED THAT LDCS BELIEVED CONSULTATIONS FUTILE SINCE DCS HAD INDICATED THERE WAS ALMOST NO POSSIBILITY FOR IMPROVEMENT OF TP OFFERS, NOTING THAT US, WHICH HAS REQUESTED CONTRIBUTIONS, WAS A SPECIAL CASE. REFERRING TO DECEMBER 1975 TNC GOAL OF COMPLETING TP NEGOTIATIONS IN 1976, MATHUR STATED THAT SOME LDCS BELIEVED SO LITTLE HAD BEEN OFFERED BY DCS IN RESPONSE TO THEIR TP REQUESTS THAT IT WAS NOT WORTHWHILE TO AGREE ON EVEN AN "INTERIM PACKAGE". THOSE THAT WOULD ACCEPT INTERIM RESULTS STILL DESIRE TO CONTINUE THE TP NEGOTIATIONS BASED ON REQUESTS ON THE TABLE. MATHUR BELIEVED NEGOTIATIONS WOULD NEVER GET TO THE POINT WHERE CONCESSIONS REQUESTED IN TP GROUP WOULD BE COMPLETELY SWEEPED OFF THE TABLE, AND THAT THE LDCS WOULD CONTINUE TO SEEK CONCESSIONS ON THESE PRODUCTS BOTH IN THE TP GROUPS AS WELL AS IN OTHER MTN GROUPS. HE NOTED A FEW LDCS PLANNED TO PRESENT ADDITIONAL REQUESTS IN TP GROUP, AND SOME WERE CONSIDERING PROPOSING SOME SORT OF PLURILATERAL OR MULTILATERAL CONFRONTATION AND JUSTIFICATION EXERCISE WITHIN THE TP GROUP ON A FEW KEY PRODUCTS THEY HAD REQUESTED ON WHICH OFFERS HAD NOT BEEN MADE, OR WERE UNSATISFACTORY. HE DID NOT HAVE A LIST OF SUCH PRODUCTS, BUT MENTIONED OIL SEEDS AS A POSSIBILITY.

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PAGE 03 MTN GE 07611 01 OF 02 291927Z

3. MTN DEL (GRAEF) SHARED DISAPPOINTMENT WITH FEW CONSULTATIONS THAT HAD BEEN HELD SINCE THE LAST MEETING, NOTING THAT IT WOULD NOT BE POSSIBLE TO CONSIDER FINALIZATION OF US TP OFFER ON BASIS OF LIMITED CONSULTATIONS TO DATE AND UNWILLINGNESS OF LDCS TO CONSIDER SPECIFIC CONTRIBUTIONS PRIOR TO END OF MTN. US DEL NOTED THAT US HAD A CREDIBLE OFFER

ON THE TABLE, AND WAS PREPARED TO NEGOTIATE, BUT HAD STATED CLEARLY AT JUNE TP MEETING THAT US WAS NOT PREPARED TO MAKE UNILATERAL CONCESSIONS. MTN DEL NOTED AGREED PROCEDURES WERE BILATERAL/PLURILATERAL AND THESE HAD NOT BEEN REALLY TRIED.

4. EC DEL (ABBOTT) SAID LACK OF LDC INITIATIVE IN SEEKING CONSULTATIONS INDICATED TO HIM A LACK OF INTEREST IN THE TP NEGOTIATIONS AND IN SEEKING IMPROVEMENTS IN THE TP OFFERS. HE DID NOT BELIEVE, HOWEVER, THAT THE SECRETARIAT SHOULD SEEK TO ENCOURAGE ADDITIONAL LDC REQUESTS AND CONSULTATIONS AT THIS STAGE AS THERE WAS SO "LITTLE TIME LEFT", NOTING STRONG EC DESIRE TO WIND-UP THE TP NEGOTIATIONS. EC WOULD BE WILLING TO CONSIDER REQUESTS FROM INDIVIDUAL LDCS AT ANY TIME. ABBOTT DID NOT WISH TO SEE THE TP NEGOTIATING FRAMEWORK CONTINUE. HE SAID THAT EC WAS PRESENTLY PLANNING TO IMPLEMENT ITS GSP CONCESSIONS JANUARY 1, 1977. THE QUESTION OF IMPLEMENTING THE LIMITED MFN CONCESSIONS IN THE EC'S TP OFFER WOULD DEPEND IN PART ON THE DECISION WITHIN THE TPG, BUT MENTIONED THE POSSIBILITY OF IMPLEMENTING THE MFN CONCESSIONS ON A PROVISIONAL BASIS, WITH BINDING TO BE MADE AT THE END OF THE MTN.

5. JAPANESE MTN DEL (UKAWA) SAID JAPAN PLANNED TO GO AHEAD WITH THE GSP ASPECTS IN ITS TP OFFER FOR APRIL 1, 1977, IMPLEMENTATION WITHOUT ANY FORMAL AGREEMENT IN THE MTN. HOWEVER, TO IMPLEMENT THE MFN CONCESSIONS IN ITS TP OFFER, GOJ WOULD REQUIRE SOME AGREEMENT WITHIN THE MTN TO TAKE TO ITS LEGISLATURE. GOJ WOULD NOT FAVOR A SYSTEM OF PROVISIONAL LIMITED OFFICIAL USE

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PAGE 04 MTN GE 07611 01 OF 02 291927Z

IMPLEMENTATION PRIOR TO BINDING AS THIS WOULD REQUIRE THE GOJ TO GO TO ITS LEGISLATURE TWICE. JAPANESE DEL SAID SOME LIMITED IMPROVEMENTS TO ITS TP OFFER WERE UNDER CONSIDERATION, BUT NOTED THAT JAPANESE DEL WAS UNSURE IF THESE IMPROVEMENTS TO ITS OFFER SHOULD BE ANNOUNCED. IF THE NEGOTIATIONS WITHIN THE TP GROUP WERE TO CONTINUE, THEN THE GOJ WOULD HAVE TO CONSIDER WITHHOLDING SUCH IMPROVEMENTS FOR A LATER STAGE OF THE NEGOTIATIONS.

6. CANADAIN DEL (GORE) NOTED THAT CANADA COULD IMPLEMENT ITS TP OFFER BY JANUARY 1, 1977, AND WAS ABOUT TO COMPLETE ITS INTERNAL PROCEDURES FOR MAKING SOME LIMITED IMPROVEMENTS TO ITS TP OFFER. CANADA ALSO HAD THE PROBLEM OF WHEN TO PRESENT

THESE IMPROVEMENTS TO ITS TP OFFER, IF THE NEGOTIATIONS
WITHIN THE TP GROUP WERE NOT FINALIZED.

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PAGE 01 MTN GE 07611 02 OF 02 011321Z

65/43

ACTION STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 INRE-00 SSO-00

NSCE-00 USIE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

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PRS-01 SP-02 FEAE-00 OMB-01 AGRE-00 AF-08 ARA-06

EA-07 NEA-10 OIC-02 XMB-02 OPIC-03 /137 W

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O R 291722Z SEP 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 1915

INFO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 2 OF 2 MTN GENEVA 7611

C O R R E C T E D C O P Y (FOR PARA 12)

ACTION STR

7. REPRESENTATIVE OF NORDIC COUNTRIES NOTED THAT
THEIR TP OFFERS PRINCIPALLY CONSISTED OF GSP
IMPROVEMENT, WHICH WAS AS FAR AS NORDICS COULD GO AT
THIS STAGE, WOULD BE IMPLEMENTED FROM JANUARY 1, 1977.
NORDIC DEL EXPRESSED A STRONG DESIRE FOR TERMINATING
THE WORK IN THE TPG.

8. AUSTRALIAN MTN DEL (SPENCER) SAID AUSTRALIA HAD
IMPLEMENTED THE GSP ASPECT OF ITS TP OFFER ON JULY 1,
AND WAS PREPARED TO IMPLEMENT ITS MFN CONCESSIONS
ON JANUARY 1, 1977. THIS WAS ALL THAT THE GOA WAS
PREPARED TO DO IN THE TPG, GIVEN THE CONDITIONS

SURROUNDING THESE NEGOTIATIONS SUCH AS NO RECIPROCITY.
AUSTRALIA, AND PRESUMABLY ALL OTHER DCS, WOULD HAVE
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PAGE 02 MTN GE 07611 02 OF 02 011321Z

NO PROBLEM WITH LDCS PURSUING UNFULFILLED REQUESTS
MADE IN TPG IN OTHER APPROPRIATE MTN GROUPS..

9. SWISS MTN DEL NOTED THAT SWITZERLAND WOULD BE
PREPARED TO IMPLEMENT ITS OFFER ON JANUARY 1, 1977,
AND INTERPRETED THE LACK OF LDC CONSULTATIONS AS
SATISFACTION WITH THE SWISS TP OFFER.

10. MEETING ENDED WITH SUGGESTION FROM NORDIC DEL
THAT GATT SECRETARIAT CONVENE INFORMAL MEETING OF
DCS AND LDCS IN TP GROUP, WHICH WAS SUBSEQUENTLY SET
FOR FRIDAY, OCTOBER 1.

11. FOLLOWING THE MEETING, EC DEL SOUGHT PRIVATE
EXCHANGE OF VIEWS WITH US MTN DEL. EC DEL NOTED
AGAIN STRONG DESIRE TO TERMINATE NEGOTIATIONS IN TPG.
HE SAID THAT THERE WAS SOME PRESSURE WITHIN THE EC
BY "ONE COUNTRY" THAT THE EC NOT IMPLEMENT EVEN THE
GSP ASPECTS OF ITS TP OFFER UNTIL ALL THE OTHER
COUNTRIES, PRINCIPALLY THE US, IMPLEMENTED THEIR
TP OFFERS. EC DEL SOUGHT FURTHER CLARIFICATION
OF REASONS WHY US COULD NOT AGREE TO "PROVISIONAL"
IMPLEMENTATION OF ITS TP OFFER, AND NOTED THAT
LACK OF IMPLEMENTATION BY THE US COULD BE PRINCIPAL
FACTOR IN KEEPING NEGOTIATIONS IN TPG OPEN. THIS
WOULD MEAN EC WOULD FACE THE DISCOMFORT OF A TPG
MEETING EVERY THREE MONTHS OR SO AT WHICH THE
COMPLAINTS OF LDCS WOULD BE REOPENED. US MTN DEL
REPEATED REASONS REQUIRING SOME AGREEMENT ON
CONTRIBUTIONS BEFORE US COULD CONSIDER FINALIZING
ITS OFFER.

12. COMMENT: BASIC PROBLEM THAT MOST OTHER DCS
HAVE WITH US IS A RESULT OF THEIR ADOPTING POSITION
OF GSP VICE SIGNIFICANT MFN RESPONSES IN TPG IN
SEEKING FINESSE LDC RECIPROCITY ISSUE IN THIS
GROUP. US MTN DEL EXPECTS THAT DC UNHAPPINESS
(ESPECIALLY BY EC AND NORDICS) WITH US POSITION ON
FINALIZATION OF OFFERS WILL MOUNT, AND THAT DCS WILL,
PRIVATELY AT LEAST, PUT LARGE MEASURE OF BLAME ON
US FOR CONTINUATION OF WORK OF TPG. US DEL DOES
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PAGE 03 MTN GE 07611 02 OF 02 011321Z

NOT BELIEVE, HOWEVER, THAT LDCS WOULD AGREE TO
TERMINATE NEGOTIATIONS IN TPG WITHOUT SUBSTANTIAL
IMPROVEMENTS IN OTHER DC OFFERS. SUBSTANTIAL
IMPROVEMENTS IN TOTHER DC TP OFFERS WILL, HOWEVER,
REQUIRE LDC CONTRIBUTIONS, SO THAT PRESENT ISOLATION
OF US POSITION AS THE ONLY DC SEEKING LDC CONTRI-
BUTIONS, MAY EVENTUALLY BE OVERCOME IF LDCS
CONTINUE TO STRONGLY PUSH OTHER DCS TO IMPROVE
THEIR OFFERS. WE DO NOT, THEREFORE, FORESEE AN
EARLY END TO THE WORK OF THE TPG, ESPECIALLY IF
LDCS CONTINUE TO UNILATERALLY REINTERPRET THE
TOKYO DECLARATION TO PERMIT LDC CONTRIBUTIONS ONLY
AT THE END OF THE MTN.CULBERT

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Message Attributes

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